

The CHAIRMAN: Are there any other questions in respect to section 49?

Hon. Mr. MACLENNAN: As I understand it the Honourable Senator McLean is saying that nobody here is representing Newfoundland. I do not think he is correct in that.

The CHAIRMAN: I think every person sitting around this table feels that he is representing the province of Newfoundland just as much as he is representing any other province.

Hon. Mr. McLENNAN: Yes.

Hon. Mr. McLEAN: It mentions Newfoundland several times.

The CHAIRMAN: This particular section relates particularly to the province of Newfoundland.

Dr. EATON: It states that any tax exemptions granted by Newfoundland shall not apply in respect of taxes imposed by the parliament of Canada. That is, concessions made by Newfoundland are not binding on the government of Canada.

Hon. Mr. HORNER: That is, any concessions made prior to March 31, 1949?

The CHAIRMAN: The significance of that date, Senator Horner, is that that is the last day preceding confederation.

Hon. Mr. HORNER: So that this law cannot reach back before the time of Newfoundland's entry into union with Canada.

Hon. Mr. McLEAN: Certainly it does reach back, because it cancels any arrangements made by Newfoundland.

Hon. Mr. ROEBUCK: What arrangements did Newfoundland make? What arrangements are abolished by this provision?

Hon. Mr. McLEAN: When Newfoundland was an autonomous country its government made certain arrangements with companies, and this provision nullifies those arrangements.

Dr. EATON: It does not nullify them; it simply says that they do not bind the government of Canada?

Hon. Mr. McLEAN: Well, that nullifies them. I am not against the provision, but I think we should understand what it means. When Newfoundland was an autonomous country its government made certain income tax arrangements and this section brings all such arrangements to an end.

The CHAIRMAN: It may not bring them to an end.

Hon. Mr. McLEAN: Well, the courts will decide that.

The CHAIRMAN: The provision means that they will have no effect under this Income Tax Act.

Section 49 was agreed to.

On section 50.

Dr. EATON: Section 50 makes provision for authority to continue any concession which is made by international agreement.

Hon. Mr. HAYDEN: That may be beneficial to Newfoundland.

Section 50 was agreed to.

On section 51—refunds.

Mr. GAVSIE: That is a beneficial provision, in that the small taxpayer who worked during the war and had some amount withheld from his salary is required under the present law to apply for a refund within two years, and this permits the minister to make a refund even though two years have expired. In some cases a tax deduction may have been paid from the salary even though the individual was not taxable in the year or years in question.

Section 51 was agreed to.